



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

May 7, 1998

Thomas E. Gast
Environmental Management Services Company
2301 Research Boulevard, Suite 103
Fort Collins, Colorado 80526

Re: Request for Reduction of Reclamation Surety/Interim Bond, Sunshine Mining and Refining Company/Tintic Utah Metals, LLC, Burgin/Apex Mine, M/049/009, Utah County, Utah

Dear Mr. Gast:

Thank you for your letter dated April 17, 1998, which requests Division approval of a reduction in the amount of reclamation surety bond being held for the Burgin/Apex Mine located in Utah County, Utah. We have reviewed your justification for a reduction in the current \$697,200 surety amount which was filed by Aetna Casualty and Surety Company (surety bond #.) on behalf of your predecessor, Sunshine Mining & Refining Company (Sunshine). We believe that a reduction in the reclamation surety to \$350,000 is justified at this time.

The new \$350,000 amount will be categorized as an *interim* surety until we grant final approval of Tintic Utah Metals, LLC's new large mining permit application and a new reclamation surety amount is calculated. Tintic Utah Metals may post the new \$350,000 surety or Sunshine can notify Aetna Casualty and Surety Company to issue a rider to reduce the existing surety amount to this revised figure. The transfer of the existing Burgin/Apex large mining permit from Sunshine to Tintic cannot be completed until a replacement surety is posted by the new operator thereby allowing us to formally release Sunshine's bond.

Please let us know if you will need any new surety forms and/or Reclamation Contract agreement forms to complete this transaction. If you have any questions in this regard, please contact me, Tony Gallegos, or Lynn Kunzler at your convenience.

Sincerely,

Lowell P. Braxton
Acting Director

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cc: Allan Young, Sunshine Mining Company
Paul Spor, Tintic Utah Metals LLC
Lynn Kunzler (permit lead)

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